

Montana Coal Board
Meeting Minutes
January 27, 2012
City Hall, Colstrip, Montana

Welcome - Call to order

Chairman John Williams welcomed all present and called to order the meeting of the Montana Coal Board at 8:30 a.m. Administrative Officer Ellen Hanpa called the Roll.

Roll call:

The following board members were present: John Williams, Chair, Dan Dutton, Vice Chair, Chad Fenner, Gerald Navratil, Loren Acton, Ralph Lenhart and Marcia Brown (by phone).

Ellen Hanpa, Administrative Officer was also present.

Others Present:

Amy S. Adler - Rosebud Schools
Duane Ankney – House District 43
Jim Atchison – SEMDC
Ed Auker – Big Horn County DES
Kathie Bailey – SMDC
Lori Benner – Crow Tribe
Cathy Byrom – Rosebud Health Care
Miles Dennis – Ashland VFD
Jeff Gates – Musselshell County DES
Jeff Giuizenga – Big Horn County Hospital
Rose Hanser – Colstrip Mayor
Rick Harbin – Colstrip Parks
Bill Hodges – Big Horn County Hospital

Larry Kindness – Big Horn County
Matt Kleinsasser – Rosebud Schools
Dennis Kopitzke – Rosebud Health Care
Bob Lee – Rosebud County
Doug Martens – Rosebud County
Lori Ferguson Reiersen – Rosebud School
Gary Robertson – Big Horn County Hospital
Diana Scheidt – Big Horn County Museum
Dean C. Sleaford – Rosebud Schools
Ryan Tooke – Rosebud Health Care
Woodrow Weitzel – Musselshell County
Kristen Wester – Big Horn County

Opportunity for Public comment

Mayor Rose Hanser welcomed the Board and participants to Colstrip. She noted that she is pleased to be attending her first, but certainly, not last Coal Board meeting.

Pat Dennis from the Ashland Fire Department thanked the Board for their recent grant for fire suits. He said new equipment has been a real morale booster for the Department.

Kathie Bailey of Snowy Mountain Development Corporation spoke about the huge impact the Coal Board funds have had in their area. She explained that the new fee they are charging is a result of the higher cost of doing business these days.

Diana Scheidt, Director of the Big Horn County Museum, thanked the Board for supporting the Museum as their dream to enlarge began in 2005, and again during the construction. The Grand Opening of the new museum building will be April 29 and all are invited to attend.

Approval of minutes

A motion by Chad Fenner and seconded by Loren Acton to approve the minutes of the September 30, 2011 meetings were approved as presented.

Current Project Updates

Ellen Hanpa updated the Board on current projects. The report is attached to these minutes. The following projects closed out during this quarter.

- Musselshell County short-term staffing grant was closed out
- Blue Creek Volunteer Fire Department Fire Tender grant was closed.
- Musselshell County Mower has been purchased and the grant closed.
- Rosebud County Hospital Boiler Project closed out.
- Treasure County Sheriff Patrol Vehicles were purchased and the grant closed.
- Ashland Fire Department purchased uniforms and closed the grant.

Budget & financial report

Budget & financial report provided by Ellen Hanpa to the Board. Budget & financial report attached **Total funds: \$5.9 million for the biennium. The balance remaining at the end of the meeting was \$884,307.**

NEW BUSINESS

Application #0696 – Rosebud Public Schools- Bus Barn-Requested \$57,500- Awarded \$50,000

Ms. Hanpa presented the Rosebud School District request for funds to build a bus barn. The District plans to build a pre-designed building to house school buses and other District vehicles.

Matt Kleinsasser, Superintendent of the Rosebud Schools explained that they are a District with 93 students. The building would provide security for the vehicles as well as an area for maintenance of the vehicles.

Motion: Moved by Ralph Lenhart to fund the project at the full amount of \$57,500. Chad Fenner seconded the motion. Dan Dutton amended the motion to fund the project at \$50,000. Gerald Navratil seconded that motion. The amendment passed with Mr. Lenhart voting nay. On a roll call vote the motion carried unanimously. Mr. Navratil summarized that the need is not intense at this point, but looking forward to future impact and should require some local effort.

Application #0700- Rosebud County – Rosebud Health Care Rural Health Clinic - Requested \$400,000 - Awarded \$400,000 contingent on remaining funding by September 30, 2012.

Ms. Hanpa presented the Rosebud County application for \$400,000 towards a \$2,470,000 construction project of an addition to the Rosebud Health Care Center for a Rural Health Care Clinic, the relocation of the Physical Therapy Department and the remodel of laundry facilities.

Ryan Tooke, CEO of the Rosebud Health Care Center explained the project. Board members questioned the financial loss in the nursing home and what would become of the present building. Mr. Williams stated that he supported the project but it is concerned about the amount of money when the other funds have not been committed.

Motion: Moved by Loren Acton for fund the project at the full amount of \$400,000 contingent on receiving USDA funds by September 30, 2012. Mr. Navratil seconded the motion. With a roll call vote the motion carried. Mr. Acton commended the applicant for improving the plan as requested previously by the Board. He stated the proposed improvements are needed and the relationship to coal impact is appropriate.

Application #0701- Crow Tribe- Pryor Senior Center Project – Requested and Awarded- \$61,890

Ms. Hanpa presented the Crow Tribe request for the purchase and installation of a manufactured building to be used for the Pryor Senior Center. Total cost of the project is \$92,135 with the Tribe providing the remaining funds.

Lori Benner and Larry Kindness described the need for this project by showing pictures of the present Senior Center building. The present building is not ADA accessible, and the kitchen facilities are not suitable for preparation of food in a public setting.

Motion: Moved by Gerald Navratil to fund this project at \$61,890 with \$19,000 being available now, and the remainder of the funds available at the beginning of Fiscal 2013, as the limitation of 90-6-205, MCA has been met for FY12. Chad Fenner seconded the motion. With a roll call vote the motion carried. Mr. Navratil summarized that there is a desperate safety need, the impact is appropriate and there is local effort in the project.

Application #0702 – Musselshell County – Emergency Pagers and Generators – Requested and Awarded \$200,000

Ms. Hanpa presented the Musselshell County request for a digital paging system for emergency responders and three generators to be placed at repeater sites. The total project cost is \$286,000 with the remaining costs coming from County funds.

Kathie Bailey, Director, of Snowy Mountain and Jeff Gates, emergency services director for Musselshell County spoke on the project. Last Spring's floods showed the need for better communication within the County. The project would also benefit Yellowstone and Golden Valley Counties. There was discussion about the cost of this project, and it was unanimously agreed to split the project by items and vote on them separately.

Motion: Moved by Loren Acton to fund the generators at \$32,580. Gerald Navratil seconded the motion. With a roll call vote the motion carried with 4 aye votes and 3 nay votes. Chad Fenner moved to fund the paging system at \$168,420. Dan Dutton seconded the motion. The motion passed unanimously on a roll call vote. Mr. Acton summarized that the need is apparent. Coal impact is present.

Application #0703– Musselshell County –Jail Camera Security System – Requested and Awarded \$23,000

Ms. Hanpa presented the Musselshell County request for the purchase of 13 internal cameras, three external cameras, audio monitoring equipment and video recorder equipment.

Woody Weitzel, Sheriff of Musselshell County reported that the current security system has quit working and safety is a serious issue. There has been an increase in incarcerations as a result of the increased number of employees at the Signal Peak Mine.

Motion: Moved by Dan Dutton to fund the project at \$23,000. Chad Fenner seconded the motion. The motion carried unanimously on a roll call vote. Mr. Dutton summarized that the need is apparent, required and necessary for safety.

Application #0704– Musselshell County – Jail Restroom Renovation – Requested and Awarded- \$13,000

Ms. Hanpa presented the Musselshell County Sheriff's Department request for \$13,000 to renovate the jail restrooms.

Sheriff Weitzel explained that current restrooms have broken fixtures and holes in the walls created by inmates. The project would use materials more suited to an inmate population.

Chad Fenner moved to fund the reasonable request of \$13,000. Mr. Lenhart seconded the motion. The motion carried unanimously on a roll call vote. Mr. Fenner summarized the action by saying the request is conservative and the need is obvious.

Amendment to #0618 Musselshell County – Musselshell Water System, Inc. PER

Ms. Hanpa presented the Musselshell County to increase the time for the completion of this project to December 31, 2012. The PER should be complete in the near future.

Motion: Moved by Mr. Navratil to approve the request. Loren Acton seconded the motion. The motion passed unanimously.

Application #0705 – Big Horn County – Hospital Generator – Requested and Awarded \$205,000

Ms. Hanpa presented the Big Horn County Hospital application for a back-up generator for the Hospital. Total cost of the project is \$544,875 with the County and the Hospital Foundation providing the remaining funding.

Bill Hodges, the Hospital Foundation Director, and Gary Robertson, the Big Horn Hospital CEO explained the changes in the project that were made at the request of the Board. A previous application had been denied. Mr. Hodges thanked the Board for making the suggestions that resulted in a less costly and a better system for this project. Board members responded with praise for taking their suggestions to heart.

Two smaller natural gas generators will be purchased and installed. Should natural gas source be disrupted, they could operate on propane.

Motion: Moved by Dan Dutton to fund the project at \$205,000. Ralph Lenhart seconded the motion. With a roll call vote the motion carried with Mr. Fenner abstaining. Mr. Dutton summarized the motion by saying the coal impact is large, and the local effort is outstanding.

Application #0706 – Big Horn County – Little Big Horn College Work Readiness Program – Requested and Awarded \$49,000.

Ms. Hanpa presented the Big Horn County application on behalf of the Little Big Horn College. Total cost of the program is \$86,500 with the College, the Crow Tribe, Many Stars Coal-to-Liquid Project and a Breaking-Through Grant providing the remaining funding.

David Small, Dean of Administration at the College spoke on the need for workforce training that allows students certification in fields that impact the mining industry.

Motion: Moved by Loren Acton to fund at \$49,500. Gerald Navratil seconded the motion. With a roll call vote the motion carried with Mr. Fenner abstaining. Mr. Acton summarized that the program is of enormous value to the community, there is excellent support, can see only positives for this. Mr. Dutton complimented Mr. Small on the College's excellent history of thinking outside the box, incorporating major organizations into their programs and giving staff members the green light to be creative.

Application #0707 –Big Horn County – Automatic Vehicle Location System – Requested and Awarded \$65,000

Ms. Hanpa presented the Big Horn County request for assistance with the purchase of an automatic vehicle location system. Total cost of the project is \$106,020 with an award from JAG for \$12,400 and the County providing the remaining funds.

Ed Auker, Disaster Coordinator for the County explained that the system would improve response time that is now sometimes up to two hours by emergency responders. This will enhance officer safety and efficiency as well as serving the public in a timely manner.

Motion: Moved by Dan Dutton to fund the project at \$65,000. Ralph Lenhart seconded the motion. With a roll call vote the motion carried with Mr. Fenner abstaining. Mr. Dutton summarized that there is a need, the impact of coal is evident and it is a good example of electronics assisting rural America.

Amendment to #0652 – Richland County – Savage Community Wastewater PER extension of time.

Ms. Hanpa presented the need to increase the time of this project to allow the presentation of the PER to the community for approval.

Motion: Moved by Chad Fenner to allow the extension. Gerald Navratil seconded the motion. The motion passed with a unanimous voice vote.

Amendment to #0653A – City of Hardin- Request to use remaining funds of \$10,908 to purchase animal control officer equipment

Ms. Hanpa explained that this grant was originally for police cars for the City of Hardin when they were attempting to create their own police department. The department was not realized, and the Board amended the grant to allow the City to provide the funds to Big Horn County to purchase patrol vehicles as part of their agreement for the County to provide law enforcement for the City.

Motion: Gerald Navratil moved to approve the request. Dan Dutton seconded the motion. Chairman Williams stated he recognizes the need to care for our animals, but does not feel that it is an appropriate use of coal severance money. The motion failed with a six nay votes and 1 aye vote. The funds will be reverted to the Coal Board.

BOARD MATTERS

Election of Officers:

Loren Action moved that the present officers, John Williams, Chair and Dan Dutton, Vice-Chair, be reelected. Chad Fenner seconded the motion. The motion passed unanimously on a hearty voice vote.

Discussion on addition of request for both millage rates and mill value in application.

Board members discussed the need for both the millage rate and mill value to determine if the local governments are meeting the criteria for local effort. Although the application presently requests both the rate and value, applicants have frequently chosen to list one or the other.

Gerald Navratil moved to require both the millage rate and mill value in all applications. Chad Fenner seconded the motion. Motion passed on a unanimous voice vote.

Adjournment - With no other business, the meeting was adjourned by Chairman Williams at 12:15 p.m. The next meeting will be April 20, 2012 in Billings.

Respectfully submitted,
Ellen Hanpa, Administrative Officer

John Williams, Board Chair

Ellen Hanpa, Administrative Officer

Date _____

Date _____